Enhancing health care

...today and

tomorrow

SHIN Saskatchewan Health Information Network 1998-1999 Annual Report

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Healthy. Quicker. Secure. Together.

Letter of
# **transmittal**

Regina, Saskatchewan

March 31, 1999

To His Honour
The Honourable J.E.N. Wiebe
Lieutenant Governor of the
Province of Saskatchewan

Dear Sir:

I have the honour to submit herewith the annual report of the Saskatchewan Health Information Network for the year ending March 31, 1999, including the financial statements, duly certified by auditors for the corporation, and in the form approved by the Treasury Board, all in accordance with the Crown Corporations Act.

Respectfully submitted,
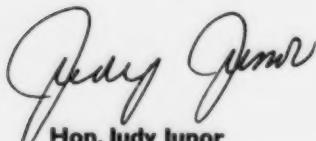
[signature]

Hon. Judy Junor
Associate Minister of Health

Letter from the
CEO

1998/99 was an important year for the Saskatchewan Health Information Network. While the corporation was established in August of 1997, the 1998/99 fiscal year was its first full year of operation.

Working from priorities identified by health stakeholders, the corporation developed a strategic plan which directed the initial phase of SHIN development and network implementation.

Over this year a significant amount of work was done to begin the first phase of network development and SHIN services.

Implementation started on the corporation's first pilot project in the fall of 1998. A private network was established in the province's Southwest Health District and network users were provided with basic office automation services, e-mail, Internet access and computer training.

A number of other initiatives focused on building network services that would eventually be available to health providers across the province. In addition SHIN worked with Saskatchewan Health and the province's health districts to begin the development of a common e-mail platform across the health sector.

The SHIN management team also began focussing attention on the development of measures and policies that will work to enhance the security and confidentiality of health information.

The next phases of SHIN implementation will build on the progress undertaken to date. SHIN will use resources already developed to assist health districts and Saskatchewan Health in addressing Year 2000 issues. Leveraging the work already underway, SHIN will also address issues identified by health system stakeholders by providing access to the SHIN network. In addition, corporation officials will work to facilitate a greater exchange of information sharing across the health sector.

I am pleased with the work that the corporation has undertaken over the past year and look forward to the exciting and important initiatives that we will be initiating with our health sector partners in the year to come.
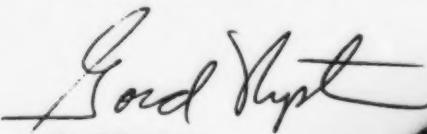
Gord Nyst

Gord Nystuen
CEO

Saskatchewan Health Information Network
# SHIN Board of Directors

The SHIN Board of Directors is made up of stakeholder representatives from across the
health sector. Organizations represented by each of the individuals are listed below.

Robert Bundon – Saskatoon Health District
Dr. Glenn Bartlett – Regina Health District
John R. Grossman – Community Representative
Brian Rourke – Saskatchewan Association of Health Organizations
Stan Rice – Prince Albert Health District
Dr. Allan Miller – Saskatchewan Medical Association
Angela Hauser Bowen – Saskatchewan Registered Nurses' Association
Ruth Robinson – Urban Community Representative
Noreen Johns – Rural Community Representative
Kelly Block – Gabriel Springs Health District
Rae Haverstock – Saskatchewan Finance

Missing:
Dr. James Millar – East Central Health District
Steven Lewis – Health Services Utilization and Research Commission
Con Hnatiuk – Saskatchewan Health
Felix Thomas – Federation of Saskatchewan Indian Nations
Dr. Dennis Kendel – College of Physicians and Surgeons
Dr. Barry Thienes – Southwest Health District, served until March 5, 1999
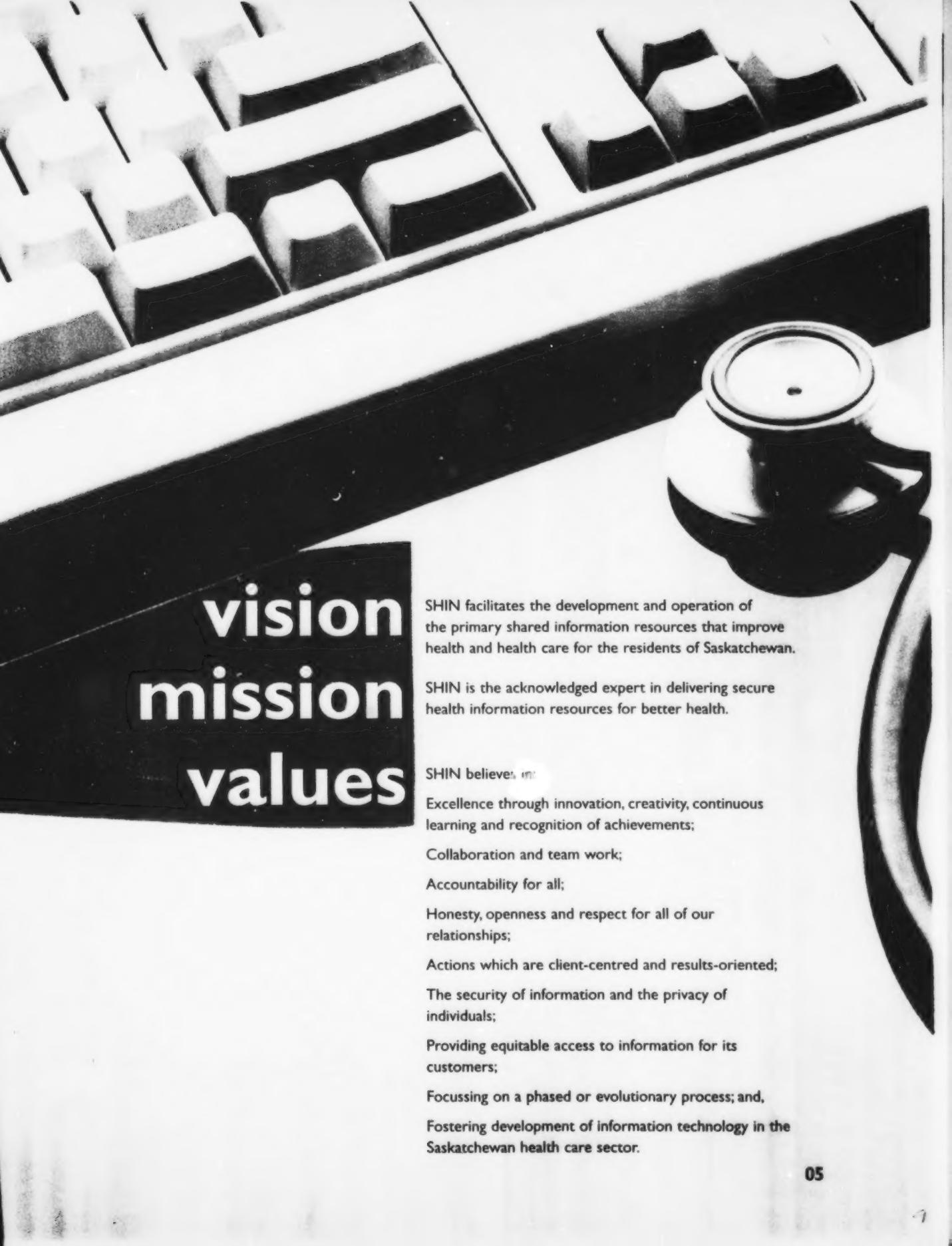
vision
mission
values

SHIN facilitates the development and operation of the primary shared information resources that improve health and health care for the residents of Saskatchewan.

SHIN is the acknowledged expert in delivering secure health information resources for better health.

SHIN believes in:

Excellence through innovation, creativity, continuous learning and recognition of achievements;

Collaboration and team work;

Accountability for all;

Honesty, openness and respect for all of our relationships;

Actions which are client-centred and results-oriented;

The security of information and the privacy of individuals;

Providing equitable access to information for its customers;

Focussing on a phased or evolutionary process; and,

Fostering development of information technology in the Saskatchewan health care sector.

SHIN's
and
accomplishments

Reflect the priorities of the health system

Met with broad range of health system stakeholders

Began work with Saskatchewan Health on
Addressing Y2K issues

**Ensure the protection and privacy
of personal health information**

Provided input into development of
Health Information Protection Act

Developed a Secure Network pilot

Updated SHIN Security Policy

**Improve access to information for health
providers when they are providing service
to the people of Saskatchewan**

Developed SHIN website

Created Helpdesk Support for System Users

Built Integration and Test Lab

**Promote the use of common
health information systems within
the health sector**

Began development of health system e-mail

Began development of HL7 Data Structure Standards

Participated in Saskatchewan Health's Health Information
Standards Council

Manage our business effectively

SHIN Strategic Plan developed

SHIN Policy and Procedure Manual Developed

Project Management process improvement
plan implemented

History

Concurrent with the formation of 32 health districts, Saskatchewan Health, the health districts and SAHO embarked on an extensive information technology planning process to identify the information technology needs of the health districts. The plan, which was completed in May 1995, also identified a need for a provincial electronic health network. This then became the basis for the SHIN vision.

In the summer of 1995, SAHO and Saskatchewan Health initiated an extensive two-stage procurement process, which was designed to select a vendor partner. This vendor partner was intended to assist in the development and implementation of a Saskatchewan health information network.

In September 1996, as a result of this process, Science Applications International Corporation (SAIC), in partnership with PCS, Digital, Ernest and Young and SaskTel, was selected as the prime contractor for the development and implementation of the health information network.

As the first step in the development process, SAiC was contracted to develop a Business Case and detailed implementation plan relating to the network. The Business Case was completed in March 1997.

In August 1997 the Minister of Health announced the creation of a Treasury Board Crown Corporation called the Saskatchewan Health Information Network (SHIN).

Also in August 1997, the Minister announced that a Board of Directors would oversee SHIN. The Board would include representatives from: HSURC; Saskatchewan Medical Association; College of Physicians and Surgeons; Saskatchewan Registered Nurses Association; Saskatchewan Union of Nurses; Saskatchewan Association of Health Organizations; Federation of Saskatchewan Indian Nations;

Saskatchewan Health; Saskatchewan Finance; the Regina, Saskatoon, East Central, Prince Albert, Central Plains and Southwest District Health Boards and three community representatives.

In November 1997, an extensive health stakeholder and provider consultation process was initiated to gather health system priorities for SHIN. This process included meetings with representatives from the 32 health districts and 25 different health stakeholder organizations.

It identified a list of more than 300 items that districts felt SHIN needed to address. These issues were grouped into categories, which included: issues related to accessing patient information; issues related to service delivery; issues related to planning and evaluation; and issues related to health promotion.

To help in priorizing that list, SHIN held a two-day planning session in April 1998 with more than 200 representatives from health districts and organizations. The four top issues identified by this group were:

Patient information is often not available on return to the home community;

Recommended treatment plans are often not available in the home community;

Diagnostic test data is not always available, resulting in repetition of tests required for treatment; and

Essential data is not always available in emergency situations.

These four priorities became the focus around which SHIN built its strategic plan and established the initial phase of its implementation plan.

Healthy.

SHIN is
a healthcare
tool

The Saskatchewan Health Information Network (SHIN) is a crown corporation, which was created by the government of Saskatchewan in August 1997. The corporation is working to link existing health systems, health districts and health providers together, so that health care professionals are able to provide a higher quality of health service to Saskatchewan people.

SHIN is taking a phased approach to the development and implementation of the network to ensure that the initiative meets the needs of the health system and health stakeholders.

When fully realized, the Saskatchewan Health Information Network will establish electronic links between health service sites across the province, including physicians' offices, health centres, pharmacies, home care providers, hospitals, emergency response sites and nursing homes.

Ultimately SHIN will ensure, for example, that: emergency room staff would be able to immediately check on an unconscious patient's drug allergies on arrival to an emergency room; the family physician would be able to monitor and effectively follow-up the care provided to his/her patient by a specialist; a home care worker would directly receive instructions about the needs of a patient returning home from a hospital stay; and telehealth would be facilitated.

The network will also reduce the isolation of rural health providers, because they will be able to use the network to consult with other providers from across the province on a patient's case, accessing lab tests, X-rays, etc.

It will enhance patient privacy by increasing security controls used when sending patient information between health providers. It will also reduce the time between when a test is done on a patient and when the health provider receives the result. Presently laboratory results are either mailed or faxed back to district offices or physicians. SHIN will enable these test results to be sent to the provider electronically through a secure network, increasing the speed at which tests results are delivered and reducing the need for duplicate testing.

SHIN will improve the capability for teamwork, enhance the opportunity for professional development and provide more time for hands on care. Over time SHIN will also assist health districts in better planning for their resident's health care needs by providing them with aggregate information on the health care requirements for their communities.

When fully realized, the Saskatchewan Health Information Network will establish electronic links between health service sites across the province, including physicians' offices, health centres, pharmacies, home care providers, hospitals, emergency response sites and nursing homes.
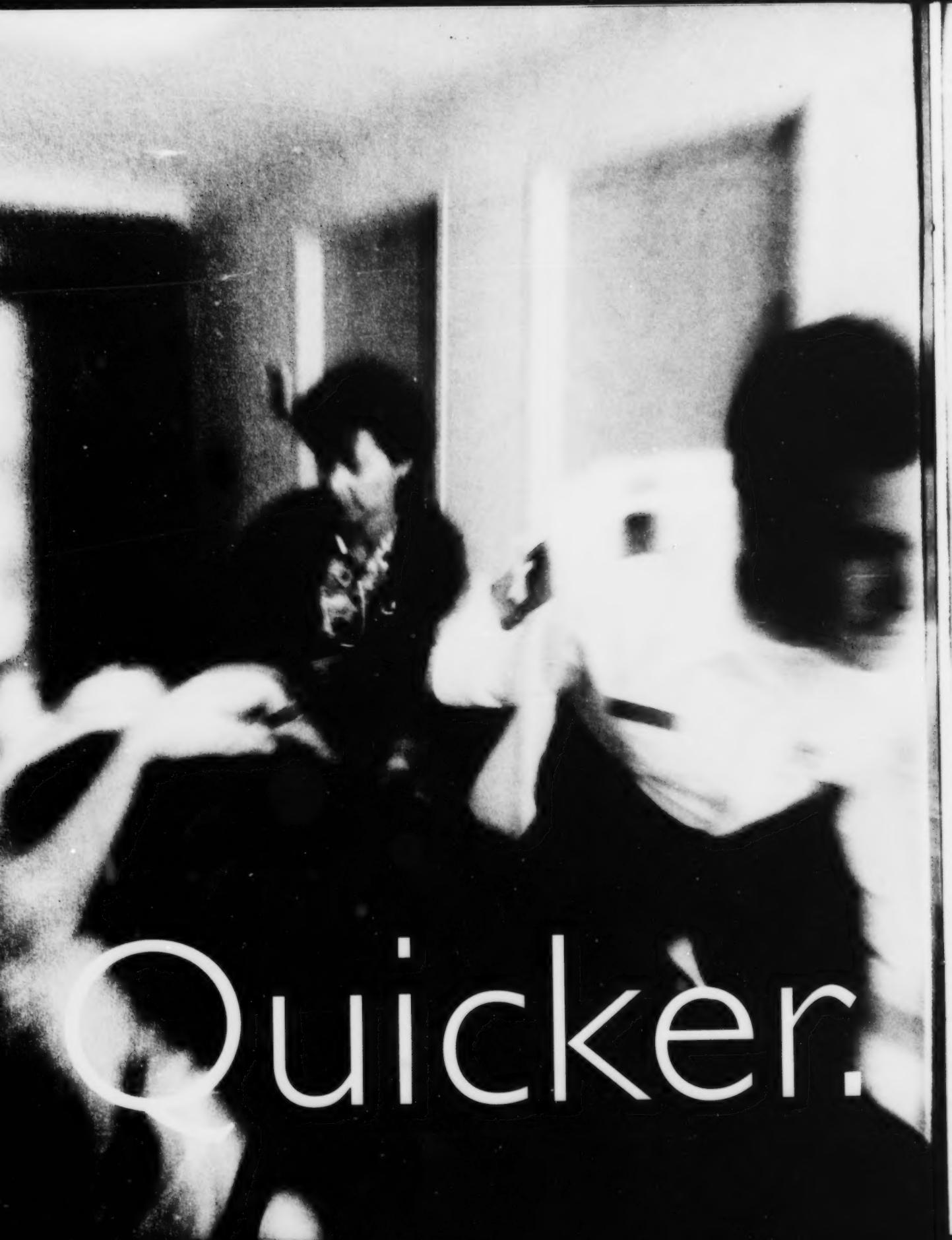
Quicker.

SHIN supports
health system priorities

SHIN is focusing its development and implementation plans around the needs and priorities identified by health system stakeholders. This focus flows directly from the corporation's vision to facilitate the development and operation of primary shared information resources that improve health and health care for Saskatchewan residents.

Since its inception the corporation has done a significant amount of work with health stakeholders in identifying health system priorities. The projects initiated in 1998/99 work to address these issues and begin the development and operation of common information resources to enhance Saskatchewan health care.

In 1998/99 SHIN:

Met with broad range of health system stakeholders

In 1998/99 SHIN's management team met with a wide range of stakeholders from across the health system to discuss the development of the SHIN network and to solicit feedback on the corporation's overall direction and initiatives underway. Meetings and/or speaking engagements attended included:

Saskatchewan Association of Health Organization Annual Zone meetings (10 locations across the province);

Association of Radiology Managers meeting (Saskatoon);

Association of Radiology Managers meeting (Regina);

College of Pharmacy – Student's conference;

College of Commerce Health Care Administration Certificate Program;

Health Information Services Program (SIAST);

Saskatchewan Health Records Association Annual Conference;

Institute for International Research Info Health Conference;

Canadian Organization for Advancement of Computing and Healthcare; and

Saskatchewan Association of Health Organizations Annual Conference (booth).

In addition management team members met with health representatives from two international organizations.

In September 1998, SHIN met with the ITHACA consortium. The consortium is made up of public and private sector members from Ireland, Finland, England, Sweden, Spain, Portugal, Greece, Italy and Saskatchewan. It is working together on the development of new information technology products for the health sector.

priorities continued

Management team members also met with a delegation from Chile, which was in Saskatchewan to look at examples of the province's community and acute care health services.

Developed a Private Network Pilot

Work began in August 1998 to install and connect 35 workstations in physicians' offices, health centres and hospitals in the communities of Eastend, Climax, Maple Creek, Shaunavon and Leader. These work stations were then linked together to form a private network. This network enables health providers to communicate within a private environment.

The workstations were initially equipped with e-mail and office automation software. SHIN provided network training to all pilot users between October 1998 and February 1999.
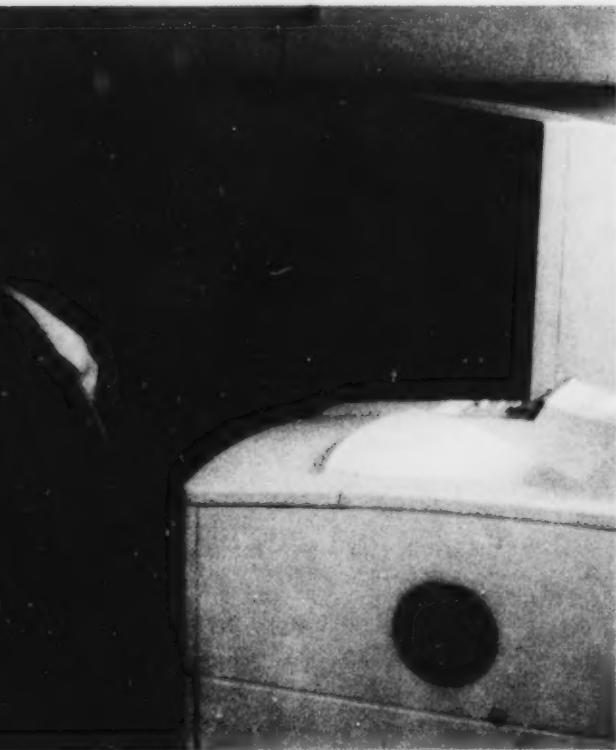
In the Southwest region, 35 workstations in Physicians offices, health centres and hospitals are linked together to form a private network

Began Development of Health System E-mail

Early in 1999 the corporation began work with Saskatchewan Health on plans to create an integrated e-mail system across the health sector. This would establish a foundation which would facilitate the transfer of electronic messages, permit access to calendars and a common address list, facilitate meeting scheduling, facilitate information sharing through the use of public folders and provide enhanced security services.

In addition, this project would provide a connection to the Government Electronic Mail System (GEMS) which would enable providers to access address lists with other entities who interface with that system.

Created Help Desk Support Service for System Users

In December 1998, SHIN launched a Help Desk Support Service for SHIN users. This service provides network users with a place to call when they want information about the system or if they are having trouble with a program. The Help Desk will then route the caller to the appropriate party to help address their issue. In addition, the Help Desk acts as an information source of users, providing them with regular updates on upgrade plans, maintenance schedules, etc.

This service is available from 8 a.m. - 5 p.m. on weekdays, and had received 300 calls as of March 31, 1999. It is anticipated that as a result of initiatives planned for 1999/2000 the number of SHIN users accessing the network could grow to more than 4,000 by March 31, 2000. SHIN anticipates extending Help Desk hours to 8 p.m. on weekdays and providing emergency on-call service for users, by September 1999.

Provided Input into HIPA Development

As part of SHIN's commitment to enhancing security around patient health information, the corporation provided input into the ongoing development of Saskatchewan's *Health Information Protection Act*. The *Act* was passed in the legislature in the spring of 1999. However it will not be proclaimed into law until regulations under the *Act* have been developed. It is anticipated that this work could take up to a year or

more. SHIN will continue to provide input into this development. The corporation will ensure that it will comply with all terms and conditions under the Act.

SHIN Security Policy Refined

In the fall of 1998, SHIN refined the corporation's security policy. The policy addresses the privacy and security aspects of health care information processed, transmitted or stored through the SHIN network, as well as the security aspects of assets associated with SHIN.

The policy will ensure that SHIN complies with the province's *Health Information Protection Act*. It will also ensure that the corporation complies with all regulations under the Act once they have been developed.

Built an Integration and Test Centre

During the year SHIN created an Integration and Test lab. The lab assists in the design, development, integration and testing of all SHIN components, sub-systems and systems. It enables developers to evaluate industry-leading technologies and alternatives addressing both current and future needs. To date the lab has been used to test numerous applications including testing: the performance and scalability of software SHIN proposes to use to store health information; the SHIN firewall on an ongoing basis as the SHIN network is expanded; software that may be used as part of SHIN's security measures; and various changes to the e-mail infrastructure required to link together the health sector.

Developed SHIN website

SHIN developed an Internet website, which went live in early December 1998. The site provides information on the corporation's vision, mission and goals. It explains the history of the corporation and provides updates on SHIN initiatives. The site also contains copies of the SHIN Architecture, the corporation's Annual Report and all SHIN newsletters. It will eventually provide a list of links to sites that provide information for health providers on Year 2000 issues. The site will be updated and expanded on an ongoing basis.

By March 31, 1999 a total of 2300 visits had been made to the SHIN site.

Began Work With Saskatchewan Health on Addressing Y2K Issues

Early in 1999 Saskatchewan Health asked SHIN to assist in readying the health system for the Year 2000. SHIN was asked to work with Saskatchewan Health on identifying issues and equipment that could cause problems for districts within their business processes. In addition the corporation was asked to provide business continuity planning and support materials and training to help districts with this work.

The corporation was also asked to work with the department on quality assurance, and provide feedback on the various Year 2000 programs being conducted across the province by health service organizations. It is anticipated that this work will be wrapped up by November 1999.

Began Development of HL7 Standards

Late in 1999 SHIN began work on identifying what standards would be used when sending messages between other health care computer systems and SHIN. HL7 (Health Level 7) was chosen as the organizational standard for the transmission of these messages into the SHIN network. As a standard HL7 has gained wide acceptance within the healthcare industry. In the future, SHIN interface will receive the HL7 messages sent from other health systems, and will put them into a format that is acceptable to the SHIN software. More work will soon get underway to determine the detailed specifications of actual data transmission.

Secure.

SHIN focuses on
privacy

The Saskatchewan Health Information Network is committed to enhancing the security and privacy around information transferred between care providers within the health sector. In fact SHIN is being developed to:

- *assist in improving health services for Saskatchewan people; and,*
- *enhance the security and privacy of health information.*

In 1998/99 SHIN provided input into the development of the province's *Health Information Protection Act.* The corporation is working to ensure that all SHIN initiatives fully comply with the Act and with all regulations to be developed under it. It is anticipated that the Act could be proclaimed into law following consultations with stakeholders and the public by the spring of 2000.

The Act will govern how personal health information is collected and stored in electronic networks such as SHIN. It also legislates that personal health information in any electronic health network including SHIN is shared between an individual's health care providers on only a need-to-know basis. The Act further ensures that individuals can decide not to have their personal health information stored in SHIN.

In addition to complying with the Act, SHIN is looking at various levels of security to be incorporated into network services including password protection, message and/or line encryption and digital signatures.

To address security, SHIN hired a network developer that has extensive experience in developing secure systems in the health care field. Working with SHIN, as network services are developed, SAIC will install security measures including a system of access controls, electronic gateways, on-line monitoring and other tools. In addition, all network access will have an audit trail, so that any unauthorized access to health information will be tracked and reported.

Over the past year SHIN pilot tested a private network in the province's southwest. The network linked 35 workstations in physicians' offices, health centres and hospitals. Through this network, 114 health care providers were able to communicate using e-mail; office automation services and Internet access to enhance patient care.

SHIN has committed that only health providers will be given access to the SHIN network, and even health providers will only be able to access information needed to treat the patient.

SHIN will be working with doctors, nurses, health records personnel and other health care providers to identify which care providers need to be able to access which certain pieces of a patient information to do their job. As a result of this new set of systems controls in SHIN, security measures around patient information will go much further than they do today.

While it will be many years before SHIN is fully implemented across the province, over that time the corporation will be working closely with heath providers, stakeholders and residents to ensure that patient confidentiality and privacy controls meet the needs of all Saskatchewan people.
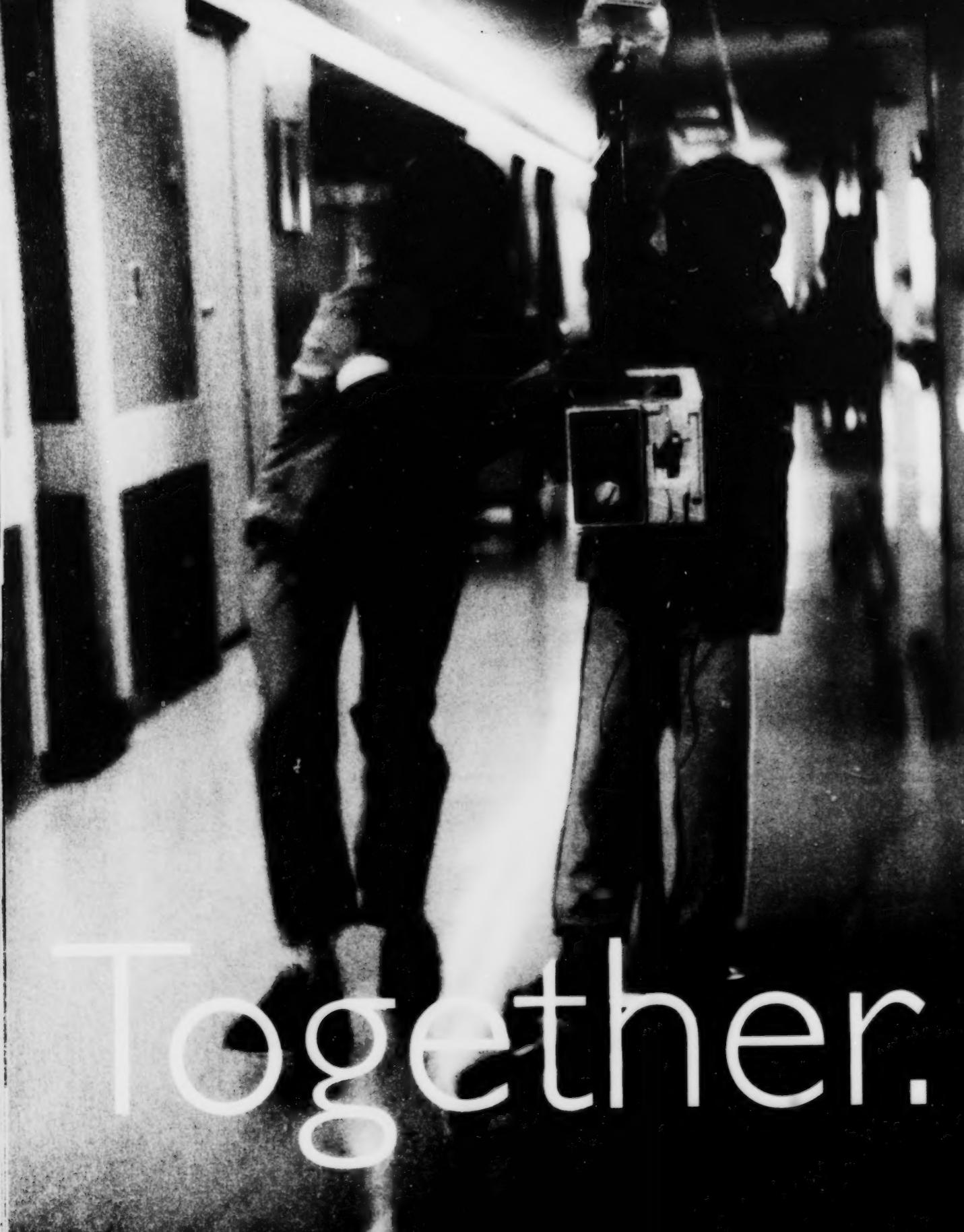
Together.

SHIN involves
health
stakeholders
in development

Stakeholder involvement is an essential part of the development of the SHIN network and all SHIN initiatives. Since its inception, the corporation has spent a significant amount of time talking with stakeholders to solicit ideas and define appropriate priorities.

The SHIN corporation was officially created in August 1997. An extensive consultation process with representatives from the province's 32 health districts and 25 different health organizations was initiated in November 1997. In total corporation officials met with more than 200 individuals. Through this process a long list of priorities was developed that was used to help focus SHIN's initial steps.

To further refine these priorities, SHIN hosted a two-day Provincial Planning Group session in April 1998. More than 200 individuals representing all health districts and numerous health organizations, took part in the event.

This group identified that the initial phases of SHIN development needed to find ways to ensure that:

- *patient information is made available to care providers when the patient returns to their home community from being treated elsewhere;*
- *treatment plans developed by health providers treating a patient outside of the home community are provided to the patient's health providers in his/her home community;*
- *diagnostic test data moves with the patient as he/she is being treated by different health providers so that tests don't need to be repeated; and*
- *essential health information is available in emergency situations.*

These priorities were then used as the basis for the development of the corporation's strategic plan.

In the fall of 1998 the SHIN corporation sent out letters to all health districts and numerous health provider organizations inviting them to put forward names of individuals to be part of a workgroup planning process. This process would assist with the first phase of SHIN implementation.

More than 150 names were submitted. Out of this list, a mix of 70 people from across the health sector and the province were selected to sit on one of five workgroups. They included nurses, physicians, lab technicians, pharmacists and health records personnel. Names of those individuals not selected were put on a list to be used in the development of future workgroups.

The workgroups focused on ensuring the planned initial deployment of services met the needs of health providers and stakeholders. They also reviewed the software SHIN is proposing to use on the network to assist health providers in accessing better patient treatment information.

Workgroup members made recommendations on software configuration to meet the needs of both providers and patients involved in processes linked to registration, laboratory information, drug information and maternal and infant assessment.

The Workgroups also recommended electronic templates to be developed that would assist providers in using SHIN services to provide better care for their patients.

Over the past year SHIN officials have taken part in many meetings or conferences with health organizations across the province, and made numerous presentations to health stakeholders. All of the feedback received through these sessions is used to further refine SHIN directions and priorities.

SHIN officials will continue to work on expanding opportunities to meet with stakeholders from across the health sector, to encourage their feedback and suggestions as the staged development and implementation of SHIN initiatives continue.

SHIN looks to the
future

The SHIN corporation annually undertakes a strategic management planning process, which guides the development and implementation of all SHIN initiatives. It also assists in identifying SHIN's immediate and long-term priorities.

Guiding Principles/Decision Protocols

These principles are the guiding rules that are to be followed in making decisions and determining plans. The Saskatchewan Health Information Network will:

Be responsive to the needs of customers

Build relationships

Ensure the protection of privacy of health resources

Deliver quality products before quantity

Be flexible and adaptable to changing conditions and opportunities

The SHIN corporation's strategic plan identifies goals and objectives which are outlined in this report. In future annual reports, the corporation will report on its performance in relation to the objectives it has established.

Goal 1
Reflect the priorities of the health system

Objectives
Know the Priorities of the Health System.

SHIN has systems and practices to ensure projects reflect the priorities of the health system.

Our stakeholders know our actions reflect the priorities of the health system.

Goal 2
Ensure the protection and privacy of personal health information

Objectives

Develop adequate systems and practices to ensure the privacy of personal health information

Maintain compliance with the systems and practices.

Independent review of systems and practices reports positive compliance.

Stakeholders are confident that their personal health information is private and protected.

Goal 4
Promote the use of common health information systems within the health sector

Objectives

Know the benefits of common information systems to the health care sector.

Partner with stakeholders to communicate benefits of common health information systems.

Health stakeholders promote benefits of health information systems.

Improve access to information for health providers when they are providing service to the people of Saskatchewan

Health providers have adequate information systems infrastructure to communicate with each other.

Foster the development and use of common information systems across the health system.

Manage our business effectively

Adequate strategic management processes.

Adequate program management processes.

Maintain appropriately trained staff.

Our stakeholders know our work is done effectively.

Saskatchewan Health Information Network
Financial Statements
For the Year Ended March 31, 1999

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Health Information Network (the Corporation) as at March 31, 1999 and the statements of operations and net assets and cash flows for the year then ended. The Corporation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1999 and the results of its operations and the changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.

Wayne Strelioff

Regina, Saskatchewan
April 27, 1999

Wayne Strelioff, CA
Provincial Auditor

Statement of Financial position

As at March 31, 1999   *(thousands of dollars)*

	1999		1998
Assets			
Current Assets:			
Due from General Revenue Fund (Note 3)	$ 4,787	$	15,573
Accounts receivable	115		—
	4,902		15,573
Capital Assets (Notes 2(a) and 4)	12,494		3,098
Total Assets	$ 17,396	$	18,671
Liabilities and Net Assets			
Current Liabilities:			
Accounts payable and accrued liabilities	$ 2,071	$	2,276
Net Assets:			
Investment in capital assets	12,494		3,098
Unrestricted	2,831		13,297
Total Net Assets	15,325		16,395
Total Liabilities and Net Assets	$ 17,396	$	18,671

(See accompanying notes to financial statements)

Statement of Operations and Assets

For the Year Ended March 31, 1999   *(thousands of dollars)*

	1999 Budget *(note 8)*	1999 Actual	1998 Actual
Revenue:			
Grants from Saskatchewan Health			
- General Revenue Fund	$ 11,000	$ 5,000	$ 20,146
Interest & other revenue	371	616	292
	11,371	5,616	20,438
Expenses :			
Salaries and benefits	486	381	214
Board expenses	75	46	40
Purchased services	4,917	5,899	3,738
Ongoing operations	—	186	—
Miscellaneous expenses	288	174	51
	5,766	6,686	4,043
Excess (deficiency) of revenue over expenses	$ 5,605	(1,070)	16,395
Net assets at beginning of year		16,395	—
Net assets at end of year		$ 15,325	$ 16,395

(See accompanying notes to financial statements)

Statement of Cash Flows

For the Year Ended March 31, 1999   *(thousands of dollars)*

	1999	1998
Operating Activities:		
Excess (deficiency) of revenue over expenses	$ (1,070)	$ 16,395
Amortization expenses	5	—
Changes in non-cash working capital balances:		
Accounts payable and accrued liabilities	(205)	2,276
Accounts receivable	(115)	—
Cash flow (requirement) from operating activities	(1,385)	18,671
Investing Activities:		
Additions to capital assets	(9,401)	(3,098)
Increase (decrease) in cash for the year	(10,786)	15,573
Due from General Revenue Fund, beginning of year	15,573	—
Due from General Revenue Fund, at end of year	$ 4,787	$ 15,573

(See accompanying notes to financial statements)

Notes to the
Financial Statements

March 31, 1999

1. Description of Business

The Saskatchewan Health Information Network (the Corporation) was established as a Treasury Board Crown Corporation by Order in Council 581/1997 under the provisions of The Crown Corporations Act, 1993 (Act) effective August 19, 1997.

The Corporation was created to design, implement, own, operate, and manage the Saskatchewan Health Information Network (SHIN). The Corporation's purpose is to foster the development of the health information technology sector, to foster re-engineering of health delivery processes and to protect health information as a strategic resource.

Development of the Corporation's main initiative, the SHIN (computer system), commenced after the project received Cabinet approval on June 30, 1997.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant accounting policies:

a) Capital Assets

The Corporation records capital assets at cost, including the direct costs of developing the Saskatchewan Health Information Network (SHIN). Normal maintenance and repairs are expensed as incurred. Capital assets are amortized, commencing with the quarter after the assets are placed into service, on a straight-line basis over their estimated useful lives as follows:

- Desktop Computer Hardware ....3 years
- Computer Software ....3 years
- Network Hardware, Software & System Development Costs .5 years
- Office Equipment ....5 years
- Office Furniture ....10 years

The Corporation expects to place the majority of SHIN assets into service and to commence amortization during the fiscal year ended March 31, 2000. Administration assets have been amortized in the current year.

b) Revenue

Contributions from Saskatchewan Health - General Revenue Fund or other sources are included in revenue when received or receivable.

Notes continued

3. Due from the General Revenue Fund

The Corporation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the corporation's bank account using the Government's thirty day borrowing rate and the Corporation's average daily account balance.

4. Capital Assets

	Cost	Accumulated Amortization	1999 Net Book Value	1998 Net Book Value
Desktop computer hardware	$ 323,832	$ 4,849	$ 318,983	$ 19,544
Computer network hardware	1,678,513	—	1,678,513	—
Desktop computer software	240,748	—	240,748	37,448
Licensed or multiple application software	3,746,254	—	3,746,254	1,627,651
Office equipment	2,397	360	2,037	—
Office furniture	1,005	75	930	—
System development costs	6,506,440	—	6,506,440	1,412,907
Total	**$12,499,189**	**$ 5,284**	**$12,493,905**	**$ 3,097,550**

5. Commitment

At March 31, 1999, the Corporation had, by agreement, the following commitment:

Agreement with SAIC

On March 11, 1998, the Corporation entered into a service agreement pursuant to Order in Council 161/1998 with the Science Applications International Corporation Canada (SAIC) to implement the SHIN computer system. The Agreement allows for SHIN to divide the project into small pieces of work and then commit to those specific segments. As at March 31, 1999, $5.3 million is committed on this project.

6. Related Parties

These financial statements include transactions with related parties. The Corporation is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, the Corporation pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

For part of the 1999 fiscal year, Saskatchewan Health provided the Corporation, without charge, financial and operational support services including financial management, human resource management and accounting. These costs have been absorbed by Saskatchewan Health and therefore no provision for such costs are reflected in these financial statements.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

7. Financial Instruments

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows.

b) Fair value

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term nature:
  - Due from the General Revenue Fund
  - Accounts Receivable
  - Accounts Payable

8. Budget

The budget was approved by the Corporation's board.

9. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Corporation's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Corporation including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

10. Comparative Information

Certain 1997-98 balances have been re-classified to conform with the current year's presentation.